

**U.S. Customs and Border Protection  
Office of Strategic Trade  
Regulatory Audit Division**

**Focused Assessment Program  
Follow-up Audit Program**

**October 2003**

## FOCUSED ASSESSMENT FOLLOW-UP AUDIT PROGRAM

### PART 5 FOCUSED ASSESSMENT FOLLOW-UP

In March 2003, the U.S. Customs Service became part of the U.S. Customs and Border Protection, which will continue to be referenced as Customs in this document.

Determine whether corrective actions specified in the Compliance Improvement Plan (CIP) were implemented and were effective in managing risk to Customs and correcting the deficiencies identified during the previously conducted Focused Assessment (FA). (Objective may be modified for specific requirements such as verification of loss of revenue calculations by company.)

| Audit Step  | Initials<br>& Date | Work<br>Paper<br>Ref. |
|---|--------------------|-----------------------|
| A. Review the applicable Pre-Assessment Survey (PAS) or Assessment Compliance Testing (ACT) report, working papers, and CIP related to each non-compliant area identified during the PAS or ACT.  |                    |                       |
| B. Meet with team members, including the account manager, to determine the scope of the follow-up review. <ul style="list-style-type: none"> <li>• Determine if the CIP has been fully implemented.</li> <li>• Determine if a reasonable time period has elapsed since completion of the CIP for a representative sample of transactions to be tested.</li> <li>• Determine whether the account manager, port officials, etc., have concerns that affect follow-up.</li> <li>• Plan for the follow-up entrance conference.</li> </ul> |                    |                       |
| C. Check with the local OI office to determine if any investigative activity would preclude follow-up.  |                    |                       |
| D. Hold the entrance conference to discuss the purpose of the follow-up and Mod Act requirements.   |                    |                       |
| E. Review the actions taken by the company to correct the problem(s).   |                    |                       |
| F. Develop a sampling plan (statistical or judgmental as appropriate) and tests for the areas with inadequate internal control and/or compliance tests for the areas identified as non-compliant.   |                    |                       |
| G. Select sample(s) and test internal control and/or selected records for compliance.   |                    |                       |
| H. Evaluate test results in coordination with the account manager and other members of the team.  |                    |                       |
| I. Refer to enforcement if results meet impact level for referral.  |                    |                       |

| Audit Step   | Initials<br>& Date | Work<br>Paper<br>Ref. |
|--|--------------------|-----------------------|
| J. Draft follow-up report.   |                    |                       |
| K. Hold an exit conference with the company.   |                    |                       |
| L. Issue the report to the original recipients of the FA program report(s) and new team members. |                    |                       |